LNF & IHCIF Calculations Illustration

- GRAND PORTAGE in Bemidji area -

Given Data

- 447 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 98.1% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 105.9% = Bemidji area cost index for health status above or below average

Cost Adjustment Calculations

- $2,632 per person for purchased services = 90% * 98.1% * $2,980
- $404 per person for in-house services = 10% * 135.7% * $2,980
- $3,036 per person total = $2,632 (purchase) + $404 (in-house)
- **$3,216 per person total** adjusted for health status = $3,036 * 105.9%
- **$2,471 per person net cost** = $3,216 - $745 Other resources (M&M&PI)

Existing Expenditures (for 447 users excluding wrap-around and collections)

- $1,043 per person = local IHS allowance (excludes $ for wrap-around)
- $94 per person = expenditures elsewhere in Bemidji area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$1,191 per person for OU users** = $1,043 + $94 + $54

LNF Calculation

- **37.0% Gross LNF** = $1,191 (expenditures) / $3,216 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **48.2% Net LNF** = $1,191 / $2,471 net cost ($3,216 - $745 other)

IHCIF Allocation

- $130,394 = $ to raise LNF% from 48.2% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$4,548 Allocation** = $130,394 needed for 60% * 3.488% IHCIF fraction

GRAND PORTAGE Unmet Needs

- **$1,104,574 Net Total Need** = 447 users * $2,471 net cost
- **$572,223 Net Unmet Need** = (100% - 48.2% LNF) * 447 users * $2,471 net cost